GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

YAT&C (Tourism) Department –Permission to raise loan worth Rs.142 Crores (Rupees One Hundred and Forty Two Crores Only) from the Banks to undertake various tourism infrastructure works of Rs. 202 Crores to Andhra Pradesh Tourism Development Corporation Limited Accorded-Orders- Issued.

YOUTH ADVANCEMENT, TOURISM & CULTURE (T) DEPARTMENT

G.O.RT.No. 236 **Dated: 09-12-2020.**
Read the following:

From Managing Director, Andhra Pradesh Tourism Development Corporation Limited, Vijayawda, E-file.No.APTDC-21041/4/2020-ENG SEC-APTDC-Part (1).

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ORDER

In the reference read above, the Managing Director, Andhra Pradesh Tourism Development Corporation Limited has stated that Andhra Pradesh Tourism Development Corporation Limited has undertaken several high impact Tourism infrastructure projects at various potential destinations to promote the State as major tourist destination of India and also to take up the renovation works for the existing properties to provide hassle free facilities to the tourists visiting Andhra Pradesh. Andhra Pradesh Tourism Development Corporation Limited has existing resorts in popular tourist destinations in Andhra Pradesh. The various resorts are grouped in to six divisions in the State i.e. Visakhapatnam, Kakinada, Vijayawada, Nellore, Tirupati, Kadapa and Kurnool. Andhra Pradesh Tourism Development Corporation Limited owns over 36 properties across the State. Many of these properties require refurbishment to improve marketability to tourists. Additionally, it requires funds to finish ongoing tourism infrastructure works and undertake new works to further develop tourism in the State.

2. The Managing Director, Andhra Pradesh Tourism Development Corporation Limited has further informed that due to Corona Pandemic the Corporation is in big financial crisis. Hence, the Andhra Pradesh Tourism Development Corporation Limited is not in a position to generate the funds for completion of projects through its operations. The Managing Director, Andhra Pradesh Tourism Development Corporation Limited has, therefore, submitted a proposal to raise term loan of Rs.142 Cr (Rupees One Hundred and Forty Two Crores Only) from the Banks to undertake various tourism infrastructure works of Rs. 202 Cr as follows:

1. To ensure bankability, the following project structure may be considered for availing a term loan of Rs. 142 Cr (Rupees One Hundred and Forty Two Crores Only).

1.1 The Corporation can earmark its part of lease rental and other fixed income contracts receipts to the extent of Rs. 8 Cr towards part of debt servicing.

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1.2 Escrow of revenue of few divisions to meet for the further gap of Rs. 14 Cr. in the overall requirement of Rs. 22 Cr. p.a.

1.3 In the cash flows of the division/s after assigning for (i) Monthly debt service (EMI), (ii) maintain required Debt Service Reserve Fund (DSRF) and (iii) maintenance of minimum balance as required by the Bank, rest may be transferred to APTDC current account every month for meeting other expenses.

1.4 Out of total requirement of Rs. 60 Cr. towards APTDC contribution. Rs. 49 cr already incurred towards these projects and may be used as margin money (APTDC Equity). During the progress of the project balance infusion of Rs. 11 Cr. amount shall be paid.

1.5 Interest rate, tenor, moratorium period for principal, Debt Service Reserve Fund (DSRF) can be negotiated with the concerned banker, whomsoever is processing the loan proposal.

2. Security: Land or Land and Building of the Corporation for a value to the extent of loan value i.e. 142 Cr (Rupees One Hundred and Forty Two Crores Only) is required as collateral for the banks and has to be mortgaged to the Lender. Further the properties which are getting renovated may be considered as primary assets but will not be mortgaged to the Lender. In this regard mapping of land belongs to Andhra Pradesh Tourism Development Corporation Limited, covering ownership deeds and valuation of it has to be undertaken upfront. In the project asset, if the value of land of one or few of the properties is equivalent to loan amount, then the same may be used as security and it is not required to offer separate land parcel or other asset as security.

3. After careful examination of the matter, Government hereby accord permission to the Managing Director, Andhra Pradesh Tourism Development Corporation Limited to raise term loan of Rs.142 Crores (Rupees One Hundred and Forty Two Crores Only) from the Banks to undertake various tourism infrastructure works of Rs. 202 Cr and to use the Land or Land and Building of the Corporation for a value to the extent of loan value i.e. 142 Cr as collateral for the banks and to be mortgaged to the Lender and the properties which are getting renovated is to be considered as primary assets, but will not be mortgaged to the Lender, subject to the following conditions:

1) That the term loan shall be raised on the strength of the balance sheet of the Andhra Pradesh Tourism Development Corporation Limited.

II) The Managing Director, Andhra Pradesh Tourism Development Corporation Limited shall satisfy himself regarding the future cash flows.

4. The Managing Director, Andhra Pradesh Tourism Development Corporation Limited, Vijayawada shall take further action in the matter.

(Contd..3)

5. This order issues with the concurrence of the Finance Department Vide Finance U.O.Note.No.FIN01-FMU0PC (GAD2)/134/2020.

(**BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH**)

RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh Tourism Development Corporation Limited, Vijayawada
Copy to:
PS to Additional Secretary to Hon'ble CM.
OSD to Minister for Tourism. (TC & YA)
PS to Special CS to Government, YAT&C(T) Dept.,
The Finance (FMU-GAD-II) Department.
The GAD(Cabinet) Department
The Pay & Accounts Officer, Andhra Pradesh.
The Director of Treasuries & Accounts, Andhra Pradesh.
The Accountant General (A&E), Andhra Pradesh, Hyderabad.
SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER